

CEREBRA LPO INDIA LIMITED
Balance Sheet as at 31st March 2017

Particulars	Note No.	As on 31-Mar-2017		As on 31-Mar-2016	
EQUITY AND LIABILITIES					
Shareholders' funds					
a. Share Capital	3	500,000		500,000	
b. Reserves and Surplus	4	1,308,438	1,808,438	4,240,146	4,740,146
Non-current liabilities					
a. Long term provisions	5	469,018	469,018	550,791	550,791
Current Liabilities					
a. Trade payables					
i.Total outstanding due of micro enterprise & Small enterprise		-		-	
ii.Total outstanding due of other than micro enterprise & Small enterprise		26,650		287,384	
b. Other Current liabilities	6	69,838,234		70,855,163	
c. Short term provisions	7	781,331	70,646,215	520,434	71,662,981
TOTAL			72,923,671		76,953,918
ASSETS					
Non-current assets					
a. Fixed Assets					
i. Tangible Assets	8	1,239,011		1,659,843	
ii. Intangible Assets		-		-	
b. Long term loans & advances	9	2,500	1,241,511	2,502,500	4,162,343
Current Assets					
a. Trade receivables	10	69,407,760		70,348,035	
b. Cash & Cash equivalents	11	204,589		280,560	
c. Short term loans & advances	12	2,069,810	71,682,159	2,162,980	72,791,575
TOTAL			72,923,671		76,953,918

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants



K.V.Gopalakrishnayya
Partner
Membership No : 021748
Firm registration No : 001154S
Place: Bangalore,
Date : 29/05/2017

For and on behalf of the Board



V Ranganathan
Director
DIN : 01247305



Shridhar S Hegde
Director
DIN : 01247342



ISHWAR & GOPAL
Chartered Accountants
Sri Vinayaka Building
21/3, T.S.P. Road, Kalasipalyam
BANGALORE-560 002

Statement of Profit and Loss for the year ended 31st March, 2017

Amounts in Rs.

Particulars	Note No.	For the Year ended		For the Year ended	
Revenue from operations	13		10,781,214		18,456,197
Other Income	14		42,485		34,776
Total Revenue			10,823,699		18,490,973
Expenses:					
Employee benefits expense	15		7,502,229		12,729,248
Financial costs	16		56,689		87,461
Depreciation and amortization expense	17		420,832		544,527
Other expenses	18		5,775,656		14,223,318
Total Expenses			13,755,407		27,584,555
Profit before exceptional and extraordinary items and tax					
Exceptional Items					
Profit before extraordinary items and tax					
Extraordinary Items			-		-
Profit before tax			(2,931,708)		(9,093,582)
Tax expense:					
Current tax		-	-	1,701,461	1,701,461
Deferred tax	0		-		
Profit/ (Loss) for the Year			(2,931,708)		(10,795,043)
Profit/(Loss) from discontinuing operations					
Profit/(Loss) for the period					
Earning per equity share:					
(1) Basic			(59)		(216)
(2) Diluted			(59)		(216)
Significant accounting policy and additional information	1 & 2				

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants



K.V. Gopalakrishnayya
Partner
Membership No : 021748
Firm registration No : 0011545
Place: Bangalore
Date : 29/05/2017

For and on behalf of the Board



V Ranganathan
Director
DIN : 01247305



Shridhar S Hegde
Director
DIN : 01247342



ISHWAR & GOPAL
Chartered Accountants
36 Vinayaka Building
210, ES Road, Kalyan, Bangalore
BANGALORE ROAD 210

CEREBRA LPO INDIA LIMITED
Cash Flow Statement for the year ended 31st March 2017

Amounts in Rs.

Particulars	Year ended 31-03-2017		Year ended 31-03-2016	
A. Cashflow from operating activities				
Net Profit before tax and extraordinary items		(2,931,708)		(9,093,582)
Adjustments for:				
Depreciation (net)	420,832		544,527	
Interest paid	289		33,819	
Interest received	(24,485)		(34,776)	
Profit/Loss on sale of Fixed Assets		396,636		543,570
Operating Profit /(Loss) before working capital changes		(2,535,072)		(8,550,012)
Adjustment for changes in :				
Increase in Inventories				
(Increase)/Decrease in Trade & other receivables	3,850,169		1,387,078	
Increase/(Decrease) in Trade & Other Payable	(1,098,539)		7,770,232	
		2,751,630		9,157,310
Cash generated from operations		216,558		607,298
Income tax paid (net)		(316,724)		(445,104)
Net Cash flow before extraordinary items		(100,166)		162,194
Net cashflow from Operating Activities		(100,166)		162,194
B. Cash Flow from Investing activities				
Interest received	24,485			
Sale of fixed assets	-		34,776	
Purchase of Fixed Assets	-			
Net cash generated from Investing Activities		24,485		34,776
C. Cashflow from Financing Activities				
Increase in borrowing and provision				
Interest payment	(289)		(33,819)	
Net cash flow from financing activities		(289)		(33,819)
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)		(75,970)		163,151
Cash & Cash equivalents				
Opening Balance		280,560		117,409
Closing Balance		204,589		280,560
Net Increase / (Decrease) in cash and cash equivalents		(75,971)		163,151

As per our Report of even date;

 For Ishwar & Gopal,
Chartered Accountants


 K.V. Gopalakrishna

Partner

Membership No : 021748

Firm registration No : 0011545

Place: Bangalore

Date : 29/05/2017

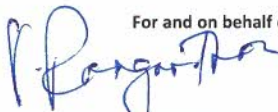
ISHWAR & GOPAL

Chartered Accountants

Sri Vinayaka Building

 21/3, T.S.P. Road, Kalasipalyam
BANGALORE-560 002

For and on behalf of the Board


 V Ranganathan

Director

DIN : 01247305


 Shridhar S Hegde

Director

DIN : 01247342



1. CORPORATE INFORMATION:

Cerebra LPO India Limited (the Company) is Company incorporated under the Companies Act, 1956 with registered office in Bangalore, India. The Company is a subsidiary of Cerebra Integrated Technologies Limited, a Listed Company. The company is engaged business of legal process, medical process, knowledge process outsourcing and other kind of business process outsourcing.

2. A. SIGNIFICANT ACCOUNTING POLICIES:

a) SYSTEM OF ACCOUNTING:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention under accrual basis. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. The accounting policies have been consistently applied by the Company. The financial statements are prepared in Indian Rupees.

b) FIXED ASSETS:

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization.

c) DEPRECIATION:

Effective 1st April 2014, the company depreciates its fixed asset over the useful life in the manner prescribed in schedule II of the Companies Act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956. Depreciation on addition/ deletion during the year is provided on pro-rata basis. Depreciation on computer software is provided over the period of six years.

d) RETIREMENT AND OTHER TO EMPLOYEE BENEFITS:

i. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.



ii. **Post employee benefits:**

Defined Contribution plans: The state governed provident fund schemes are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

Defined benefits Plans: The employee gratuity fund schemes are defined benefits plans. Wherever applicable, the present value of obligations under defined benefit plans is determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The obligation is measured in the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

e) **REVENUE RECOGNITION:**

Income from outsourcing services is recognized upon completion of milestone wherever payments are linked to such milestone. In case where the payment is based on the completion of man-hours, man-days, man-months of the service rendered, revenue is recognized on the completion of the same.

f) **FOREIGN CURRENCY TRANSACTIONS:**

Foreign currency transactions are accounted in the books of account at the exchange rates closely approximating those prevailing on the date of transaction.

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the statement of profit and loss.

g) **ACCOUNTING FOR CLAIMS & CONTINGENCIES:**

All known liabilities of material value have been provided for in the accounts except liabilities of contingent in nature, which have been disclosed at their estimated value in the notes to account in accordance with accounting standard (AS 29). As regards, provisions, it is only that obligation arising from past events existing independently of enterprise's future actions that are recognized as provisions. Contingent liabilities are not recognized but are disclosed in the additional information. Contingent assets are neither recognized nor disclosed in the financial statement.



h) IMPAIRMENT OF ASSETS

At each Balance Sheet date the management reviews the carrying amounts of its assets and goodwill included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

i) EARNINGS PER SHARE

Basic Earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year, if any) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) Taxation

Income Tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes has been computed after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, MAT credit has been recognized, wherever applicable on the balance sheet date which can be carried forward for a period prescribed under the tax regulations.

Deferred tax:

Deferred tax asset are recognized in respect of unabsorbed losses / depreciation and other benefits to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

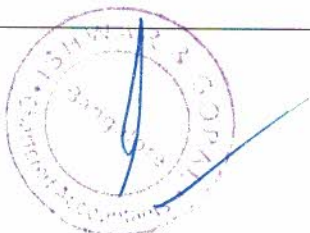


2. OTHER EXPLANATORY INFORMATION:

- a) Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.
- b) Trade Receivable includes Rs 6,82,14,850 (Rs.6,82,14,850)/- outstanding for substantial period on account of delay in acceptance of services by customers. Out of the above, the Company is confident of recovery of Rs. 6,82,14,850/- and hence no provision is made for the same.
- c) Due to Micro, Small & Medium Enterprises:
As per the records maintained by the company there are no dues to the micro, small & medium enterprises as on the date of balance sheet.

Disclosure under required under MSME Act, 2006.

Sl.No.	Particulars	31-Mar-17	31-Mar-16
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil



e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
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d) Related Party Disclosure:

i. Key Management Personnel

Name	Designation
V Ranganathan	Director
P Vishwamurthy	Director
Shridhar S Hegde	Director

ii. Holding Company

Cerebra Integrated Technologies limited	Holding company
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iii. Associates

Cerebra Middle East FZCO	Co-Subsidiary
Cerebra E-waste Recovery PTE Ltd.	Co-Subsidiary under liquidation

iv. Transactions with related parties-

1. Rent paid to Cerebra Integrated Technologies Limited- 1,08,000/- (Nil)
2. Loan repaid to Cerebra Integrated Technologies Limited – Rs.2074697/- (Nil)
3. Loan taken from Cerebra Integrated Technologies Limited- Nil (Rs.57,00,583/-)

v. Balances with related parties

Particulars	Amount in INR	
	Year ended 31st March 2017	Year ended 31st March 2016
Cerebra Integrated Technologies Limited	5,92,88,652/-	6,12,39,149/-

d. Expenditure in Foreign Currency

Bank Charges – Rs 54,624/-

e. Earning in foreign Currency

FOB value of Export of services – Rs 15,28,241/- (Rs 16,35,718/-)

f. Employee benefits:

Leave Salary Obligation



The following table sets out the status of the leave salary obligation and the amounts recognized in the Company's financial statements as at 31.03.2015.

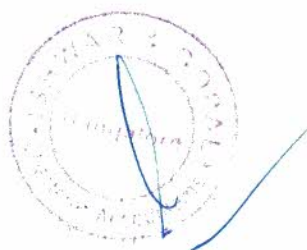
Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Present Value of Funded Obligation	0	0
Fair Value of plan asset	0	0
Present Value of unfunded obligation	4,15,084/-	3,10,906/-
Amounts in balance sheet		
Liabilities	4,15,084/-	3,10,906/-
Assets	0	0
Net liability is Bifurcated as follows		
Current Liability	26,920/-	19,161/-
Non-current Liability	3,88,164/-	2,91,745/-
Net Liability	4,15,084/-	3,10,906/-

Economic Assumption:

Particulars	Percentage
Discounting rate	7.85%
Salary Escalation rate	7.00%

Demographic assumption

Retirement age	58 years
Mortality table	Indian Assured Lives Mortality 2006-08) Ult table.
Leaving Service rate	
Age (years)	Rate
21-30	15%
31-34	10%
35-44	5%
45-50	3%
51-54	2%
55-57	1%



CEREBRA LPO INDIA LIMITED

Notes to the Financial Statements as on 31st March 2017

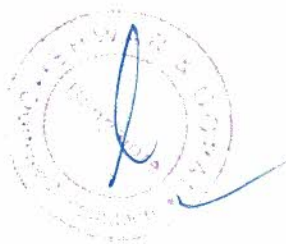
No te No	Particulars	As on 31-Mar-2017		As on 31-Mar-2016	
		Number	Amounts in INR	Number	Amounts in INR
3	Share Capital				
a	Authorised Equity Shares	50,000	500,000	50,000	500,000
b	Issued Equity Shares	50,000	500,000	50,000	500,000
	Subscribed and paid fully Equity Shares	50,000	500,000	50,000	500,000
	Subscribed but not paid fully Equity Shares	-	-	-	-
	Total	50,000	500,000	50,000	500,000
c	Par value Rs. 10 per equity share				
d	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
	Particulars	Number	Amounts in INR	Number	Amounts in INR
	Equity Shares				
	Outstanding at the beginning of the period	50,000	500,000	50,000	500,000
	Issued during the period	-	-	-	-
	Outstanding at the end of the period	50,000	500,000	50,000	500,000
e	Terms / Rights attached to equity shares The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per During the year, the Company has not declared any dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after				
	Particulars	Number	Amounts in INR	Number	Amounts in INR
f	Shares held by holding company / ultimate holding company and / or their subsidiaries / associates - Holding Company - Cerebra Integrated Technologies Limited	35,000	350,000	35,000	350,000
g	Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held				
		Number of shares	Percentage	Number of shares	Percentage
	Cerebra Integrated Technologies Ltd	35,000	70	35,000	70
	Gururaj K Upadhy	2,500	5	2,500	5
	P.Bharath	2,500	5	2,500	5
	P.Vishwamurthy	2,500	5	2,500	5
	Shridhar S Hegde	2,500	5	2,500	5
	Uma Ranganathan	2,500	5	2,500	5
	V Ranganathan	2,500	5	2,500	5



V. Ranganathan



4 RESERVES & SURPLUS				
Surplus / (Deficit) in Statement of Profit & Loss Account				
Balance as per last financial statement	4,240,146		15,035,189	
Depreciation transferred as per new Companies Act 2013			-	
Profit for the year	(2,931,708)		(10,795,043)	
Appropriations				
Net surplus / (Deficit) in statement of Profit & Loss Account		1,308,438		4,240,146
Total Reserves & Surplus		1,308,438		4,240,146
5 LONG TERM PROVISIONS				
Provision for employee benefits				
- Gratuity		251,195		291,745
- Leave Benefits		217,823		259,046
		469,018		550,791
6 OTHER CURRENT LIABILITIES				
Advance from Holding Company		59,288,652		61,239,149
Dues to statutory authorities		9,741,331		8,406,276
Liabilities for expenses		808,251		1,209,738
		69,838,234		70,855,163
7 SHORT TERM PROVISIONS				
Provision for Employee Benefits				
- Bonus		602,662		460,370
- Gratuity		163,889		19,161
- Leave Benefits		14,780		40,903
		781,331		520,434
9 LONG TERM LOANS AND ADVANCES				
Security Deposits [Considered Good]		2,500		2,502,500
		2,500		2,502,500
10 TRADE RECEIVABLES				
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured, Considered Good	68,253,372		68,214,850	
- Unsecured, Considered Doubtful	2,870,921		2,870,921	
	71,124,293		71,085,771	
Less: Provision for Bad Debts	2,870,921	68,253,372	2,870,921	68,214,850
Others		1,154,388		2,133,185
		69,407,760		70,348,035
11 CASH AND CASH EQUIVALENTS				
Cash at Bank - Current Account		185,843		71,297
Cash on Hand		8,040		196,676
Foreign Currency on hand		10,706		12,587
		204,589		280,560



V. Rangaratha



for

12 SHORT TERM LOANS AND ADVANCES			
Prepaid Expenses		-	5,007
Advance to Suppliers		1,426,000	1,426,000
Advance Income tax / TDS (net)		316,724	445,104
Balance with statutory / Government authorities		327,086	286,869
		2,069,810	2,162,980

13 Cash Deposits during Demonitisation

As per : MINISTRY OF CORPORATE AFFAIRS NOTIFICATION
New Delhi, the 30th March, 2017 - G.S.R. 308(E).

Details of Rs.500 and Rs.1000 notes

Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

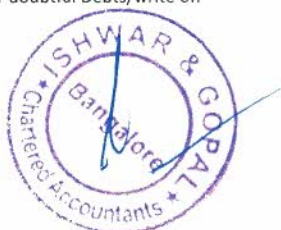
Particulars	SBNs	Other denomination notes	Total
	Rs.	Rs.	Rs.
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	140,000.00	140,000.00
(-) Permitted payments	-	3,506.00	3,506.00
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	136,494.00	136,494.00



Notes to the Financial Statements for the year ended 31st March 2017

Amounts in Rs.

No te No	Particulars	For the Year ended 31-Mar-2017		For the Year ended 31-Mar-2016	
13	Revenue from Operations				
	Sale of Services		10,781,214		18,456,197
	Other Operating revenues				
	Revenue from operations (Gross)				
	Less: Excise Duty				
	Revenue from operations (Net)		10,781,214		18,456,197
	Details of Services Rendered				
	Medical Transcription		10,781,214		17,281,824
	LPO Services		-		1,174,373
			10,781,214		18,456,197
14	Other Income				
	Excess Provision / (Unclaimed Credit) Withdrawn				
	Others				
	Interest income- income tax refund		24,485		34,776
	Profit on sale of asset		18,000		-
			42,485		34,776
15	Employee Benefit Expenses				
	Salaries and Wages		6,837,788		11,377,463
	Contribution to provident & Other Funds		339,018		856,612
	Staff Welfare expenses		325,423		495,173
			7,502,229		12,729,248
16	Financial Costs				
	Interest on Income Tax/ TDS		289		33,819
	Other Borrowing Costs		56,400		53,642
			56,689		87,461
17	Depreciation and amortisation expenses				
	Depreciation of tangible assets		420,832		544,527
			420,832		544,527
18	Other Expenses				
	Power and Fuel		57,682		210,269
	Rent		858,000		2,604,176
	Repairs to Others		154,376		64,534
	Insurance		2,457		3,366
	Rates & Taxes, excluding taxes on income		1,497,393		2,181,137
	Remuneration to Auditors		76,590		101,880
	Professional Charges		33,500		31,400
	Travelling and Conveyance		91,364		34,210
	Communication expenses		210,957		441,214
	Fees to home transcriptionist		2,572,621		5,571,192
	Advertisement / Business Promotion		-		1,700
	Office Expenses		36,724		43,862
	Net Loss on foreign currency transaction and translation		18,053		10,201
	Provision for doubtful Debts/write off		169		2,864,177



V. Dargan

Loss on sale of Assets		-		-
Water Charges		15,000		60,000
Transportation Charges		150,770		
		5,775,656		14,223,318
Remuneration to Auditor				
Audit fees		75,000		75,000
Tax Audit fees		-		25,000
Reimbursement of expenses / Service tax		1,590		1,880
		76,590		101,880



V. Dargantan



K. S. 7

Amounts in Rs.											
Note No		Gross Block				Depreciation				Net Block	
SI No	PARTICULARS	As at 01-04-2016	Additions	Deletions	As at 31.03.2017	As at 01-04-2016	For the year	Deletions	As at 31.03.2017	As at 31-03-2017	As on 31-03-2016
	Tangible assets										
i	Office Equipment	905,984	-	75,000	830,984	902,894	1,671	75,000	829,565	1,419	3,090
ii	Computers	2,008,440	-	-	2,008,440	2,008,440	-	-	2,008,440	0	0
iii	Furniture and Fixure	2,723,419	-	-	2,723,419	1,719,826	265,603	-	1,985,429	737,990	1,003,593
iv	Electrical instalation	1,279,709	-	-	1,279,709	626,549	153,559	-	780,107	499,602	653,160
	Total	6,917,552	-	75,000	6,842,552	5,257,708	420,832	75,000	5,603,541	1,239,011	1,659,843
	For Previous year	6,917,552	-	-	6,917,552	4,713,181	544,527	-	5,257,708	1,659,843	2,204,371
	Intangibles assets										
	Software Licence	390,597	-	-	390,597	390,597	-	-	390,597	-	-
	Total	390,597	-	-	390,597	390,597	-	-	390,597	-	-
	Previous year	390,597	-	-	-	390,597	-	-	-	-	-



V. Ranganatha

